9/7

OFFICIAL - INFORMAL SECRET

November 12, 1963

Dear Jim:

I enclose a copy of a memorandum which we sent to the Secretary last night, along with a copy of a staff study which we prepared as a back-up but did not actually give him. These will give you a little bit of an idea of the countermeasures we had prepared in the event the Soviets detained US-7.

When I discussed the memorandum with the Secretary, his reaction was that the countermeasures suggested were too weak. After some discussion he instructed me to make preparations to call any delegations we have in the Soviet Union under the cultural agreement home, and to toss any Soviet delegations in the US out. He also suggested that we might close AMTORG. When I asked him what his attitude was toward the wheat deal, he said that he thought we should make action in this field contingent upon parallel action by our allies.

In addition, a Soviet ship is due in the Panama Canal on November 13 or 14 and we had made preparations to detain it if our convoy was detained by the Soviets. To show you the kind of discussion that went on, I enclose a copy of our memorandum to the President.

I should emphasize that no final decision had been taken as of last night on any of these countermeasures, but it was quite clear that the Secretary was not inclined to take a third detention lightly. I believe that he could have gotten the White House to go along with a number of these countermeasures. I have the impression from Dave Klein, however, that the President is somewhat sensitive regarding the US-Soviet Exchanges Agreement. In addition, it is quite clear that he is very reluctant to forego the wheat deal if he can get it. As a corollary this presumably means it would not be easy to get his agreement to close AMTORG.

James S. Sutterlin, Esquire, American Embassy, Bonn, Germany.

SECRET

----- ' n' 13 year

In brief, I can only indicate at this time the countermeasures under consideration and cannot predict with any certainty which ones would have been taken had our convoy been detained, let alone which ones might be taken in the future.

Sincerely,

John C. Ausland

CC/ Mr. Day - Berlin

Mr. Stoessel - Hoscow

Mr. James - CINCEUR

SECRET